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ARE IMMIGRANTS THE ANSWER FOR RICH, BUT GREYING NATIONS?

According to United Nations population projections, Japan and virtually all the countries of Europe are expected to decrease in population size over the next 50 years. At the same time, these countries are undergoing a relatively rapid ageing process. Is replacement migration as solution to population decline and population ageing. In this edition of World Chronicle, Joseph Chamie, Director of the Population Division of the United Nations Development Department of Economic and Social Affairs, talks about how the choices that developed countries have to make as their population decreases.

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ANNOUNCER: From United Nations Headquarters in New York, this is World Chronicle, an unedited interview programme about major global issues.

Here now to introduce our guest is the host of today's World Chronicle.

LITTLEJOHNS: I'm Michael Littlejohns, and this is World Chronicle.

Will immigrants play an increasingly important role in the economics of developed and other countries? The Population Division of the United Nations' Department of Economic and Social Affairs has released a new report titled "Replacement Migration: Is it a Solution to Declining and Ageing Populations?" Among major findings: in the next 50 years, the populations of most developed countries are projected to become smaller and older as a result of low fertility and increased longevity. Immigration is needed to prevent population decline in all countries and regions examined by the report. Are we all to live in a grey planet?

Our guest today is Dr. Joseph Chamie, Director of the Population Division of the UN's Department of Economic and Social Affairs. Joining me to talk with Mr. Chamie are Afsane Bassir Pour from *Le Monde* and Evgueni Menkes from *RIA Novosti*.

Dr. Chamie, welcome to World Chronicle.

Dr. Chamie, around this table I guess three-fourths of the occupants are already members of the grey planet we spoke about. Afsane is the happy exception. The UN Population Fund has been knocking so far for years to hold down population and fertility rates now reading this report I get the impression that you guys are saying that falling populations are not such a great idea?

CHAMIE: We have a very complex world. Some parts of the world are growing rapidly such as sub-Saharan Africa, some parts of Asia, and other places are growing very slowly or negatively so it's difficult to have one single message. And I think in the case here we have to look at a very complex series of events occurring that are historic in nature. In particular, the European continent is ageing very rapidly and most of the countries declining and this is somewhat unique and needs to be addressed.

LITTLEJOHNS: Now you have a country like Italy – I presume that an extremely high percentage of the population are Catholic -- and if they follow the teachings of the Church don't go for contraception. Yet the population of Italy is expected to decrease much more than most other countries.

CHAMIE: Yes. In terms of fertility behaviour, as well as other demographic behaviour, people usually make their decisions on very personal, practical reasons. Their religious effect has been somewhat lessened be they Catholic, Muslim, Hindu, Jew. The effect is relatively minor in many countries especially the developed countries. The impact of a low fertility, such as in Italy, is basically an ageing population and, in the future, a shrinking population. In fact, in 2050 Italy's population will be smaller we project than it was in 1950.

LITTLEJOHNS: Now speaking about immigration is the UN recommending that there should be a lowering of the barriers against immigration in those countries?

CHAMIE: Our report and all our reports do not make recommendations for governments to follow. This is a study investigating these issues. We bring it to the attention of the governments. It's not a prescription but it indicates the consequences of population change and we look at both the determinants of population change and the consequence. And it's one of our mandates to bring this to the attention of governments and the international community.

BASSIR POUR: Now to follow on the migration that Michael brought up one of the explosive figures that you have in here, in the report, is you say that to keep the ratio between the active and the retired people in Europe, the European Union would have to open its doors to 160 million immigrant workers. But of course no politician in Europe would even dare contemplate that. Now was this, as you said, to wake these people up? You know, show them the facts or you actually do think that opening doors to 160 million immigrants would solve problems?

CHAMIE: It's a very good question. Keeping the ratio between the workers or the people in the working ages to the retirees is one of the scenarios we have here. The question we ask is: can migration be a solution to an ageing and declining populations? And there's two parts to that answer to that question. First, migration can be a solution to a declining population but it cannot be a solution to ageing population. The numbers are simply too large. The numbers that would have to be coming in to keep the ratio at about five people in the working age to one retiree are simply too large. That last scenario is used for statistical purposes to show the extent of the ageing and that the governments may have to begin responding now to the ageing process by looking at the age of retirement, somewhat increasing it rather than decreasing it as the trend has become, considering the pensions and costs. So the answer to your question is no, we don't anticipate 160 million

or 500 million coming in per year. Some migration could offset the declines but not the ageing.

BASSIR POUR: What about the age of retirement? As you said, in most countries now they're retiring earlier – 60 rather than 65 – whereas I heard one of your experts talk about 70, 75. Is anybody doing this?

MENKES: Even 82.

LITTLEJOHNS: What? 82?

CHAMIE: Yes.

MENKES: It's mentioned here.

BASSIR POUR: If you can work you know.

CHAMIE: The issue of the ratio between the working age and the retired population, the non-working, is a very interesting question and we have seen that the governments have been under pressure from trade unions and others to reduce that age. Given increasing longevity it doesn't seem very sensible to be decreasing the age of retirement when people are living so long. The other factor that's so critical is the cost. Can you pay for these pensions and social security costs? And in our view Europe is going to have a very difficult time paying for the costs for the pension and social security systems for the elderly given that they're not only ageing but also shrinking. And that means the burden on those people on the working ages will increase and it is going to be difficult to pass bills and legislation to increase even more the taxes in order to pay for the elderly. If you're not going to bring in migrants another possibility is to increase the age of retirement and some ages would have to be 75 in order to keep the ratio of five people in the working age to one retiree. And in some cases the decline can be severe, such as in Italy or Spain where you could have two or less workers per retiree. That is a very heavy burden on taxation for the workers.

MENKES: Mr. Chamie, you have just mentioned one of the scenarios. They actually are using five scenarios here. Could you very briefly explain to us this methodology? And also please say a couple of words about the way you have been choosing countries and areas for this report.

CHAMIE: Yes, I'd be happy to. The study we looked at – we are looking at countries that are declining in ageing and we try to take a cross section. There are eight countries in two regions. We took Germany, Italy, France, UK and Russian Federation and then in the East we took Japan and Republic of Korea. We added the United States, because it's also a very large country that has a different policy, and then we looked at the

European Union, the 15 member states, and also Europe as a whole. So we had ten sorts of countries and regions in total. Then we looked at five scenarios, very simple scenarios. We took the first one which is projections that we expect in the future, in the next 50 years and then the second scenario was what if there is no migration. There are simply no migrations to these countries. Zero. And many of these countries do have migration coming in, such as the United States, and they have out migration some of them. The next three are hypothetical. One would be how many migrants would you need in order to keep the population size the same, no change; the next scenario, number four, was what if you want to keep the labour force, the working age population constant; and then finally, what would you have to do? How many migrants would you need to keep the ratio between the working age population and the retired age population constant?

MENKES: About the robustness of the figures I remember a couple of weeks ago you came to a press conference and presented this report and brought a leather case and suggested that reporters guess what's inside. So apparently you were trying to dramatize the fact that to some extent, at least to some extent, it's guess work?

CHAMIE: Well, for demographers we deal with many, many questions of uncertainty. However, our track record is very good. In the early 50's we made a projection for the year 2000 – our office – and we estimated the population to be around 6.2 billion in this year. And its turns out that this year's population is going to be 6.1 billion. So we have a very good track record actually. Better than the weather and certainly better than the economists. But there is uncertainty. You don't know what's going to happen in the future. However, with the ageing issue, everyone today who is 25 in 25 years will either be 50 or dead. That's certain. So the labour force is fairly certain in the next 25 years and anyone born today won't be in the labour force for another 20-25 years at the earliest. So what you have in the Russian Federation or France for the labour force is fairly certain and mortality rates are fairly certain. What's uncertain is the issue of fertility and more uncertain is migration.

MENKES: And you are not much of a believer of the possibility of rebounding of fertility in these countries?

CHAMIE: Exactly. We do not see any rebounding in the near future and most of the experts we have been consulting within Europe, Japan and elsewhere assume the same thing structurally. The changes: labour force participation of women, increased education, and preferences for smaller families, urbanization, and smaller size. Smaller facilities for most people mean smaller families. Some people don't get married; when

they get married some don't want any children. If they want children they have one or at most two. Therefore, the average is likely to be below two, which means a declining population.

LITTLEJOHNS: Dr. Chamie, you have been talking about migration to developed countries who need more people what about the countries from which these immigrants come? Are they happy about the idea of losing large numbers of their populations? The so-called "brain drain" for example? Some of the liveliest people are the ones who would be transferring.

CHAMIE: It is a question that has come up. In this report here we don't address that directly but we do address it indirectly. Yes, it's going to be a concern because the numbers if they were coming would be some of the brightest and some of the most capable. However, I should point out that many developing countries are benefiting from the remittances and also a transfer of technology. We have many immigrants from India who have travelled to Europe, Japan, and particularly the United States, picked up skills and after they have accumulated some wealth have gone back to India and started their own firms. Similarly, other countries have benefited from the exchange of wealth. But it is a concern for many countries migrants leaving especially the high-skilled ones, and what impact this will have on their development efforts.

BASSIR POUR: There are three countries that are mentioned in your report, especially America, Canada and Australia who are actually countries of immigrants and they continue to receive immigrants. Are they faring better because they are receiving immigrants than traditional European countries?

CHAMIE: Well, one thing should be clear. Your time perspective determines which country is an immigrant and not an immigrant. As I tell people, except for Adam and Eve, everyone is an immigrant or an ancestor of an immigrant. If you look back 1,000 years many of these countries had immigrants coming into them, if you look back several years it may be a different sort. Immigration and migration is a natural phenomenon, demographic phenomenon, just like birth and death. It will continue on indefinitely into the future. The question comes in is what is best for the country at the time. The United States in the study, as well as Canada and Australia respond to the labour market and their needs by having an orderly migration policy. The other countries of Europe and Japan have limited policies which are primarily for family reunification, but they do not have labour movements for permanent immigration. Some of them understandable in the sense that their selection would be limited by language. For example Japan. Of course they

would want people coming in who know Japanese. Very few other countries speak Japanese. But for the French, the UK, and other countries such as Spain, there are many, many countries that speak the language who could be coming to those countries and benefiting the countries. And it's not simply one group in favour and one group against; there are many groups that sometimes form coalitions. The business community wants labour. Sometimes other groups that are helping refugees and asylum seekers are in favour of this. And also you have the ethnic groups in the countries that are supporting immigration.

LITTLEJOHNS: This is World Chronicle. Our guest is Dr. Joseph Chamie, Director of the Population Division, of the UN's Department of Economic and Social Affairs.

BASSIR POUR: Just to follow on. These immigrants who come in large numbers to America for example, or to Canada, once they have reached retirement age do they go back or do they remain here and become part of the taxpaying – the burden actually on the rest of the population?

CHAMIE: The most experienced people when they immigrate to a country and they have worked there for most of their lives do not return to their country. The large majority stay in that country. They have their children, they have picked up the cultural habits, they have become comfortable. Their friends, the neighbourhood and so on they do not return and they are not expected to return in many of these countries. Some do. And we can anticipate that in the countries of Canada, United States, Australia that it's for permanent immigration purposes.

BASSIR POUR: Most of them stay.

MENKES: Mr. Chamie, your report is really something of a bomb. This is the first time that you have been working on such a study and producing such a study and I think it really takes us much further than those conclusions which you have been enumerating in your report. Definitely, if you take the issue of a large group of migrants coming from one country to another of course it brings with it very serious social, economic, cultural and political changes in this territory. Have you thought about it? It's a very serious business actually.

CHAMIE: We understand this report is quite provocative and in some circles it's been shocking. But as I have indicated in the past political leaders are often concerned with the immediate issues and uses the analogy of a clock or a watch. If you look at your watch you see the second hand moving around and that's what grabs the politicians' and

political leaders' attention cause it's moving. It grabs their attention, the immediate: a fire, a hurricane, a catastrophe, an event. Today they address it. Their advisors are concerned with the minute hand cause that's something a little long. What will we do in this area of the world next week, next month, before their next election? We demographers look at the hour hand. It moves very slowly but it has profound implications. It's the difference between night and day. Our report is intended to be that way. Looking at the very profound changes occurring in the new International Population Order. Let me give you an example. Fifty years ago the Russian Federation was three times larger than Pakistan. We project, according to our projections dealing with fertility and mortality and migration that in the year 2050, fifty years from now, Pakistan will be three times larger than the Russian Federation. These are enormously important population trends and reordering the population order globally. Simultaneously, you have ageing going on and very, very low fertility. These are profound consequences that affect the very fabric of society – economically, socially and politically.

MENKES: How about the feedback from capitals? What have you heard since you first distributed this report? What did they say? What are the governments' reactions to that?

CHAMIE: As I told you, politicians are not very keen to be put on the spot with regard to migration. What do we want to do? Immigration is not a very popular issue in most circles. People don't volunteer saying we want more immigrants. Even in the United States the majority are not in favour of increasing it. They would like to have orderly numbers matching the needs of the society. Similarly in Europe, the reaction is less than favourable because they want to maintain their culture and it's a challenge to many of them to see people from different cultures, different religions, different languages, different groups regionally. So it's been problematic for some political leaders and in fact the newspapers have been at the forefront of bringing this issue to the attention and asking the political leaders and the elected officials to indicate what is going to be going on. Well first of all it affects pensions, it affects voting, it affects employment, and it affects elderly care. It affects every aspect of the society. If you're not going to bring in immigrants and your fertility is low then you're going to become smaller. Much smaller. And it's rapid. It's not going to occur in centuries, it's going to occur in decades and this has enormous impact. For example, look at Italy. Some years ago in classroom size they had about 20-22 students per teacher. Now, they have eight to one.

LITTLEJOHNS: Eight?

CHAMIE: Eight.

BASSIR POUR: That is just amazing really.

CHAMIE: The costs are enormous. And you have pressures from trade unions, you have pressures from political groups, you have religious groups, and so on. Political leaders have not been too happy with this but it is important that you start discussing this today. The sooner you begin the easier the solution. Don't play ostrich ignoring this or else you will have great problems in the future and it's not like something that you say well maybe it won't happen. The changes that are occurring are here and the ones that we project most demographers see that our numbers are very sensible.

LITTLEJOHNS: Dr. Chamie, you mentioned Japan a few minutes ago. As we know, Japan has been very protective of its homogeneity. I think that it's not easy to become an immigrant in Japan and I'm not even sure if it's possible to become naturalized once you are there. Are you giving the Japanese government any advice on how they might deal with this problem?

CHAMIE: We have been talking to our colleagues in Japan quite regularly. In fact, their numbers are similar to ours. We see Japan declining and so do the Japanese demographers. The Japanese right now are about 126 million people. By the end of this century, by 2100, the Japanese themselves project them to be roughly half the size of today. Something like 65 million. This means the second largest economy in the world is going to be shrinking in terms of its demand, and the pensions.

LITTLEJOHNS: And also ageing I believe because they're ageing very....

CHAMIE: Rapidly. And the Japanese are in fact are raising the age of retirement. They have had before age of 60 and there have been some of the labour unions and some of the other ones -- I think it was with regard to Honda that they have increased the age of retirement. And they have some of the highest labour force participation rates among the elderly among the developed countries. They are very keen about this and they are having meetings and discussions on how they can encourage or facilitate the family to have more children so they can stabilize the rate somewhat. They would be very happy if they can raise their rate to say 1.8 like France, or at the level of the UK.

LITTLEJOHNS: What is it now?

CHAMIE: It's about 1.3 approximately. They would like to see maybe an increase of half a child. Unlikely to reach 2.1 replacement. This means a great deal of adjustment in Japan. Now there's nothing wrong with becoming smaller as long as you

understand the consequences. You're going to become older and we're going to reach very soon a period in the world's history where the number of elderly people is going to outnumber the number of children. That's never happened before. You see we're living in the most exciting demographics period the world has ever seen. Fertility rates have come down, we're living longer than ever and we've had some of the highest rates in some of the most great advances demographically we've ever seen.

BASSIR POUR: Now, I'd like to ask a question. It's not directly to do with migration but definitely to do with population. It's AIDS and the demographic impact of AIDS. In some countries in Africa now the life expectancy is below 50 do you address this in your work?

CHAMIE: We have done a number of studies on the demographic impact of AIDS and we have made projections on what impact it's had on life expectancy, population size, on the growth rate and so on. The AIDS crisis is a horrible epidemic in Africa. Nevertheless, we see Africa's population doubling in the next 50 years, even with AIDS because many of the children are born before those suffering from HIV/AIDS have passed away. And of course the transmission from mother to child is not certain. It's like one out of three approximately. So you do have continued growth going on. Between 1950 and the year 2000 Africa tripled in population size. We anticipate it will double between now and 2050. And the change again, internationally, has important ramifications. In 1950, Europe's population was around three times almost the size of Africa's. Today, they are about the same size. About 12 percent of the world's population each. But by 2050 Africa's population will be three times as large as Europe's. This has enormous economic and socio-political consequences.

BASSIR POUR: Now talking about the economic and social impact the people who are dying in Africa are the working group. The grandmothers, the grandfathers are alive and the children are alive and you have a very active group of people who are dying. Dying off in millions I mean. Doesn't that make any difference to the socio-economic life of the country?

CHAMIE: The socio-economic consequences of the mortality from AIDS in Africa are enormous and also it is affecting all levels of economic and social categories. It is not a mortality epidemic among the poor. It's affecting doctors, teachers, political leaders – every social class of the working age population. And so you have a situation of many children who are going to be brought up by their elderly grandparents. This is a very, very heavy burden. In other words, you are going to be getting an ageing population

also in Africa who are going to have the additional responsibility of having many children to take care of. This will be an enormous economic strain on the fragile economic systems in these countries.

MENKES: Very briefly, on retirement age what could be the ceilings? You as an analyst of this issue do you see it in different countries and the leading countries?

CHAMIE: We see that the current trend for declining retirement ages is problematic because life expectancy is likely to be continuing to expand and we see people living well beyond the current life expectancies, especially with the advances in technology – medical technology, genetic engineering. To have retirement at 55 or 60 and then have people live 30 years seems unreasonable given the cost demand. In addition, this may be very difficult in terms of the employment demands. For example, right now the United States has a labour shortage and there will be increasing demands to have people in the labour force. So as the European economies and Japanese start heating up as well there may be increasing pressures to bring people into the labour force and the elderly are certainly a pool. Now this is not going to be a very favourable trend for many people because they consider retirement as a benefit, a perk and they like to retire. However, it's going to be economic reality. I would see it at least being 65 and it could start approaching 67 or even higher.

LITTLEJOHNS: Dr. Chamie we have only a few seconds left but what about the idea of providing incentives for women to stay home in Europe, for example, and raise more kids?

CHAMIE: The incentives that would be necessary you'd have to ask the women but my understanding is that they would have to be enormous. Very costly. And also you'd have strain in the sense that you are talking about gender equality. Women want to have equal rights, equal opportunities, as men which means a number of them will choose not to get married, some when they get married will choose to have no children, and some will have one or two. The average will likely be below two. And that's the issue we're facing. And when you have low fertility then you have to start thinking about ageing and migration as possible consequences.

LITTLEJOHNS: Dr. Chamie, that's all the time we have. Thank you for being with us on this edition of World Chronicle.

Our guest has been Dr. Joseph Chamie, *Director of the Population Division of the* UN's Department of Economic and Social Affairs. He was interviewed by Afsane Bassir Pour of *Le Monde* and Evgueni Menkes of *RIA Novosti*.

I'm Michael Littlejohns. Thank you for joining us. We invite you to be with us for the next edition of World Chronicle.

ANNOUNCER: Transcripts of the programme may be obtained free of charge by sending a stamped, self-addressed envelope to World Chronicle, United Nations, Room S-827L, New York, N.Y., 10017.

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